



## Proposed Regulation Agency Background Document

<b>Agency name</b>	Common Interest Community board
<b>Virginia Administrative Code (VAC) citation</b>	18 VAC 48 -50
<b>Regulation title</b>	Common Interest Community Manager Regulations
<b>Action title</b>	Initial Common Interest Community Manager Regulations
<b>Date this document prepared</b>	March 5, 2009

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Orders 36 (2006) and 58 (1999), and the *Virginia Register Form, Style, and Procedure Manual*.

### Brief summary

*In a short paragraph, please summarize all substantive provisions of new regulations or changes to existing regulations that are being proposed in this regulatory action.*

This is a new regulation that establishes the licensure requirements for common interest community managers, as well as the standards of practice and conduct for common interest community managers and requirements for training programs. The regulation will ultimately replace emergency regulations that were implemented as a result of the enactment of Chapters 851 and 871 of the Acts of the 2008 General Assembly, which were the result of HB 516 and SB 301. These Acts required regulations to be effective within 280 days of enactment, thus the implementation of emergency regulations on November 13, 2008.

### Acronyms and Definitions

*Please define all acronyms used in the Agency Background Document. Also, please define any technical terms that are used in the document that are not also defined in the "Definition" section of the regulations.*

None.

### Legal basis

*Please identify the state and/or federal legal authority to promulgate this proposed regulation, including (1) the most relevant law and/or regulation, including Code of Virginia citation and General Assembly*

*chapter number(s), if applicable, and (2) promulgating entity, i.e., the agency, board or person. Describe the legal authority and the extent to which the authority is mandatory or discretionary.*

Section 54.1-2349 states in part that the Board shall have the power and duty to promulgate regulations to carry out the requirements of Chapter 23.3 of Title 54.1 of the Code of Virginia. In addition, 54.1-2349(A)(2) states that the Board shall establish criteria for the licensing of common interest community managers and § 54.1-2349(A)(6) states that the Board shall establish standards of conduct for common interest community managers. § 54.1-201(E) states in part that regulatory boards shall promulgate regulations in accordance with the Administrative Process Act necessary to assure continued competence, to prevent deceptive or misleading practices by practitioners and to effectively administer the regulatory system administered by the regulatory board. The regulation is mandatory to implement Chapters 851 and 871 of the Acts of the 2008 General Assembly.

**Purpose**

*Please explain the need for the new or amended regulation by (1) detailing the specific reasons why this regulatory action is essential to protect the health, safety, or welfare of citizens, and (2) discussing the goals of the proposal, the environmental benefits, and the problems the proposal is intended to solve.*

The new regulation establishes qualifications and standards of practice and conduct for common interest community managers. The new regulation is necessary to implement Chapters 851 and 871 of the Acts of the 2008 General Assembly, which were the result of HB 516 and SB 301. The goal of the regulation is to establish qualifications and standards of practice and conduct for common interest community managers in accordance with HB 516 and SB 301.

The General Assembly determined that regulatory oversight of common interest community managers is essential to protect the health, safety, and welfare of the citizens of Virginia. Minimum qualifications for common interest community managers, annual assessment filing requirements, provisional licensure, and the standards of conduct and practice are the general items that will be addressed in the regulations.

**Substance**

*Please briefly identify and explain new substantive provisions (for new regulations), substantive changes to existing sections or both where appropriate. (More detail about all provisions or changes is requested in the "Detail of changes" section.)*

Clarifies requirements found in Chapter 23.3 of Title 54.1 of the Code of Virginia. The regulation is new in its entirety; therefore, there are no changes to previously existing sections.

- General: Defines terms used throughout the regulations.
- Entry: States the application procedures; provides qualifications for licensure of common interest community managers, including bond and insurance requirements, past conviction and financial information submission requirements, and experiential and professional qualifications.
- Fees: Lists all fees, including initial application fees, renewal fees, and reinstatement fees. Also includes annual assessment requirements.

Renewal and Reinstatement: Establishes standards and requirements for renewal and/or reinstatement of license, including requirement for reinstatement, status of license during reinstatement periods, and the Board’s discretion regarding denial of licenses.

Standards of Practice and Conduct: Outlines grounds for disciplinary action, license maintenance requirements, client account maintenance and management requirements, requirements for changing a business entity, notifying the board of adverse actions, prohibited acts; and establishment of code of conduct and internal accounting controls in accordance with § 54.1-2346.E of the Code of Virginia.

Training Programs and Examinations: Provides requirements to be approved as a training provider, program curriculum, record-keeping provisions; reporting requirements; provisions for withdrawal of approval; and examination provisions.

**Issues**

*Please identify the issues associated with the proposed regulatory action, including:*  
1) *the primary advantages and disadvantages to the public, such as individual private citizens or businesses, of implementing the new or amended provisions;*  
2) *the primary advantages and disadvantages to the agency or the Commonwealth; and*  
3) *other pertinent matters of interest to the regulated community, government officials, and the public.*

*If the regulatory action poses no disadvantages to the public or the Commonwealth, please so indicate.*

The primary advantage to the public is that common interest community managers will be regulated to ensure that the health, safety, and welfare of the public, particularly those residing in common interest communities, is protected. The only foreseeable disadvantage is that the increased costs from managers and associations will likely be passed along to association members (i.e., homeowners, unit owners, etc.).

The primary advantage to the Commonwealth is that the regulation of common interest community managers reflects the importance that Virginia places on ensuring that those providing management services to associations and their members’ have met specific minimum requirements for licensure and must maintain certain standards of practice and conduct in order to provide those services.

**Requirements more restrictive than federal**

*Please identify and describe any requirement of the proposal, which are more restrictive than applicable federal requirements. Include a rationale for the need for the more restrictive requirements. If there are no applicable federal requirements or no requirements that exceed applicable federal requirements, include a statement to that effect.*

There are no applicable federal requirements.

**Localities particularly affected**

*Please identify any locality particularly affected by the proposed regulation. Locality particularly affected means any locality which bears any identified disproportionate material impact which would not be experienced by other localities.*

No impact on localities has been identified as resulting from the proposed regulation.

**Public participation**

*Please include a statement that in addition to any other comments on the proposal, the agency is seeking comments on the costs and benefits of the proposal and the impacts of the regulated community.*

In addition to any other comments, the board/agency is seeking comments on the costs and benefits of the proposal and the potential impacts of this regulatory proposal. Also, the agency/board is seeking information on impacts on small businesses as defined in § 2.2-4007.1 of the Code of Virginia. Information may include 1) projected reporting, recordkeeping and other administrative costs, 2) probable effect of the regulation on affected small businesses, and 3) description of less intrusive or costly alternative methods of achieving the purpose of the regulation.

Anyone wishing to submit written comments may do so by mail, email or fax to Trisha L. Henshaw, Executive Director, Common Interest Community Board, 9960 Mayland Drive, Suite 400, Richmond, Virginia 23233, fax to (804) 527-4297, or email to [cic@dpor.virginia.gov](mailto:cic@dpor.virginia.gov). Written comments must include the name and address of the commenter. In order to be considered comments must be received by the last date of the public comment period.

A public hearing will be held and notice of the public hearing may appear on the Virginia Regulatory Town Hall website ([www.townhall.virginia.gov](http://www.townhall.virginia.gov)) and the Commonwealth Calendar. Both oral and written comments may be submitted at that time.

**Economic impact**

*Please identify the anticipated economic impact of the proposed new regulations or amendments to the existing regulation. When describing a particular economic impact, please specify which new requirement or change in requirement creates the anticipated economic impact.*

<p><b>Projected cost to the state to implement and enforce the proposed regulation, including (a) fund source, and (b) a delineation of one-time versus on-going expenditures.</b></p>	<p>All costs incurred in support of board activities and regulatory operations are paid by the department and funded through fees paid by applicants and licensees. All boards within the Department of Professional and Occupational Regulation must operate within the Code provisions of the Callahan Act (54.1-113), and the general provisions of 54.1-201. Each regulatory program's revenues must be adequate to support both its direct costs and a proportional share of agency operating costs. The department allocates costs to its regulatory programs based on consistent, equitable, and cost-effective methodologies.</p> <p>One-Time:      There are no new one-time costs</p>
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	<p>associated with these regulations.</p> <p>Ongoing: There are no new ongoing costs associated with these regulations.</p>
<b>Projected cost of the <i>new regulations or changes to existing regulations on localities.</i></b>	No change anticipated.
<b>Description of the individuals, businesses or other entities likely to be affected by the <i>new regulations or changes to existing regulations.</i></b>	The regulations will affect individuals who manage common interest communities, and the registered associations who use or may use their services. Homeowners or unit owners residing within the communities may be affected indirectly.
<b>Agency’s best estimate of the number of such entities that will be affected. Please include an estimate of the number of small businesses affected.</b> Small business means a business entity, including its affiliates, that (i) is independently owned and operated and (ii) employs fewer than 500 full-time employees or has gross annual sales of less than \$6 million.	Approximately 200 licensed common interest community managers, and approximately 4,000 registered associations. The majority of these entities would likely meet the definition of “small business” provided herein.
<b>All projected costs of the <i>new regulations or changes to existing regulations for affected individuals, businesses, or other entities.</i> Please be specific and do include all costs. Be sure to include the projected reporting, recordkeeping, and other administrative costs required for compliance by small businesses. Specify any costs related to the development of real estate for commercial or residential purposes that are a consequence of the proposed regulatory changes or new regulations.</b>	The common interest community manager license fee is \$100 for a one year period. Managers pay an annual assessment equal to the lesser of .02% of gross receipts, or \$1,000. The assessment currently averages about \$95 per manager. Managers also pay a one-time assessment of \$25 to the program’s Recovery Fund. No economic impact is anticipated beyond the direct impact of the increased cost to become and remain licensed.
<b>Beneficial impact the regulation is designed to produce.</b>	The regulation is a result of a legislative mandate from the 2008 General Assembly Session. The licensure of common interest community managers was determined to be necessary and beneficial to protect the health, safety, and welfare of the public.

**Alternatives**

*Please describe any viable alternatives to the proposal considered and the rationale used by the agency to select the least burdensome or intrusive alternative that meets the essential purpose of the action. Also, include discussion of less intrusive or less costly alternatives for small businesses, as defined in §2.2-4007.1 of the Code of Virginia, of achieving the purpose of the regulation.*

Chapters 851 and 871 of the Acts of the 2008 General Assembly and the Code of Virginia mandate the establishment of the regulation. Therefore, no alternatives exist to evaluate.

**Regulatory flexibility analysis**

*Please describe the agency’s analysis of alternative regulatory methods, consistent with health, safety, environmental, and economic welfare, that will accomplish the objectives of applicable law while minimizing the adverse impact on small business. Alternative regulatory methods include, at a minimum: 1) the establishment of less stringent compliance or reporting requirements; 2) the establishment of less stringent schedules or deadlines for compliance or reporting requirements; 3) the consolidation or simplification of compliance or reporting requirements; 4) the establishment of performance standards for small businesses to replace design or operational standards required in the proposed regulation; and 5) the exemption of small businesses from all or any part of the requirements contained in the proposed regulation.*

The regulations were developed with consideration that the affected industries consist of small businesses. The Board considers that the regulatory methods implemented were promulgated to accomplish the applicable law while minimizing the adverse impact on small businesses and are consistent with the regulation of small businesses of other professions.

**Public comment**

*Please summarize all comments received during public comment period following the publication of the NOIRA, and provide the agency response.*

<b>Commenter</b>	<b>Comment</b>	<b>Agency response</b>
Kelley Platz	Commenter asked about regulations that fall under the Common Interest Community Management Information Fund and individual certification.	The Board will be developing regulations that address the complaint process for associations under a separate regulatory review process.  The Common Interest Community Manager regulations that are being developed at this time establish the requirements for the licensure of business entities (including sole proprietorships) that provide management services to common interest communities. In accordance with § 54.1-2346.C of the Code of Virginia, individual employee certification is required by July 1, 2011, and regulations to establish individual certification requirements will be developed in a subsequent regulatory review process.
Robert Frydrych	Commenter opposes over-regulation and too much government involvement to small businesses.	Section 54.1-2349.A.1 of the Code of Virginia requires the Board to promulgate regulations necessary to carry out the requirements of Chapter 23.3 of Title 54.1 of the Code of Virginia. In addition, Executive Order 36, which all state agencies are required to follow, requires, in part, that “all regulatory activity should be undertaken with the least possible intrusion in the lives of the citizens of the Commonwealth consistent with public health, safety, and welfare.”
Community Associations Institute and NBC-CAM	Commenter provided several suggested amendments to the regulations, including: revision of definition of	The Board has taken these suggestions under advisement during the development of the proposed regulations.

	<p>“firm” to clarify meaning of “association”</p> <p>request revised interpretation of bond/insurance policy provisions</p> <p>request clarification of information regarding outstanding, past-due debt</p> <p>revision of qualification for licensure as it refers to “persons in a supervisory capacity”</p> <p>clarification of whether or not assessment of gross receipts for services rendered outside of Virginia would be applicable</p>	
Lillian Sutherland	<p>Commenter requested revised interpretation of bond/insurance policy provisions.</p>	<p>Because the Board is in the process of developing language to address the bond and insurance requirements contained in § 54-2346.D of the Code of Virginia, it is not able to issue an interpretation at this time. However, it has been determined that submission of a bond/policy that was either continuous until cancelled or held throughout the license period would meet the requirements of the regulations. The regulations require that the Board be notified of any change in bond/policy (including but not limited to termination, cancellation, or amendment), thus failure to do so could result in disciplinary action by the Board.</p>
Lillian Sutherland	<p>Commenter inquired about certification of financial managers.</p>	<p>The regulations developed are due to changes in the law that were enacted by the 2008 General Assembly. At this time, Chapter 23.3 of Title 54.1 of the Code of Virginia pertains, in part, to the licensure and certification requirements for those engaging in management services as defined in § 54.1-2345 of the Code of Virginia, which may include financial services on behalf of an association.</p>
Lillian Sutherland	<p>Commenter requested information on requirements related to disclosure packets.</p>	<p>The regulations developed address the requirements for licensure of common interest community managers as required by Chapter 23.3 of Title 54.1 of the Code of Virginia. The requirements pertaining to association disclosure packets are contained in Chapter 26 of Title 55, the Property Owners’ Association Act.</p>
Brenda Drakulich	<p>Commenter inquired about what is included in “gross assessment income”.</p>	<p>The regulations developed do not address “gross assessment income.” These regulations address the requirements for licensure of common interest community managers as contained in Chapter 23.3 of Title 54.1 of the Code of Virginia, which includes provisions related to “gross receipts from</p>

		common interest community management.”
Lillian Sutherland	Commenter asked about insurance coverage required of common interest community managers who do not have access to the association reserves.	Chapter 23.3 of Title 54.1 of the Code of Virginia contains requirements for licensure of common interest community managers. The Board’s regulations address the bond and insurance requirements for common interest community managers as contained in § 54.1-2346.D of the Code of Virginia. The requirements pertaining to the bond or insurance for associations are contained in Chapter 26 of Title 55, the Property Owners’ Association Act.

**Family impact**

*Please assess the impact of the proposed regulatory action on the institution of the family and family stability including to what extent the regulatory action will: 1) strengthen or erode the authority and rights of parents in the education, nurturing, and supervision of their children; 2) encourage or discourage economic self-sufficiency, self-pride, and the assumption of responsibility for oneself, one’s spouse, and one’s children and/or elderly parents; 3) strengthen or erode the marital commitment; and 4) increase or decrease disposable family income.*

No impact on families in Virginia has been identified as resulting from the proposed regulation.

**Detail of changes**

*Please detail all changes that are being proposed and the consequences of the proposed changes. If the proposed regulation is a new chapter, describe the intent of the language and the expected impact if implemented in each section. Please detail the difference between the requirements of the new provisions and the current practice or if applicable, the requirements of other existing regulations in place.*

*If the proposed regulation is intended to replace an emergency regulation, please list separately (1) all provisions of the new regulation or changes to existing regulations between the pre-emergency regulation and the proposed regulation, and (2) only changes made since the publication of the emergency regulation.*

For new chapters, use this chart:

<b>Section number</b>	<b>Proposed requirements</b>	<b>Other regulations and law that apply</b>	<b>Intent and likely impact of proposed requirements</b>
10	This section provides the definitions of various terms used in the regulations.	Definitions contained in Chapter 23.3 of Title 54.1	Explanation of various terms used in regulation.
20	This section provides the application procedures for applicants seeking licensure as a common interest	None	The intent of the section is to explain a complete versus incomplete application; the Board’s process for requesting

	community manager; includes timeframes for review of applications and explanation of what constitutes a complete application		additional information; and the timeframe for completing an application.
30	Provides the qualifications for licensure. The requirements include: proper registration of business and/or trade names; disclosure of mailing and physical addresses and address from which management services for Virginia common interest communities are provided, and includes prohibition against using a post office box as the sole address; disclosure of all felony convictions, misdemeanor convictions, and any plea of nolo contendere; evidence of a blanket fidelity bond or employee dishonesty bond; certification that the applicant complies with standards of conduct and practice contained in regulations; the applicant, responsible person, and any principals shall be in good standing and disclose any disciplinary action by any board or administrative body in any jurisdiction; disclosure of any relevant information about the firm, responsible person, and any principals of the firm for the past seven years prior to the application on any outstanding judgments, past-due assessments, defaults on bonds, or pending or past bankruptcies, specifically those that relate to management services; disclosure if any principals who owned more than 50% equity interest in the firm are or were equity owners holding a 10% or greater interest in any entity	Chapter 23.3 of Title 54.1	The intent of the section is to provide the requirements for licensure of common interest community managers.

	<p>licensed by any agency of the Commonwealth that was subject to any adverse disciplinary action within the seven years preceding application; the applicant must hold an active designation as an Accredited Association Management Company by the Community Associations Institute or must certify that the applicant has i.) at least one supervisory employee or officer with five years of experience in providing management services and who has successfully completed a comprehensive training program as described in 18 VAC 48-50-250.B, as approved by the board, involved in all aspects of the management services offered and provided by the firm, and ii.) at least 50% of persons who have principal responsibility for management services meet one of the following: hold an active designation as a Professional Community Association Manager and certify having provided management services for a period of 12 months immediately preceding application; or hold an active designation as a Certified Manager of Community Associations by the National Board of Certification for Community Association Managers and certify having two years of experience in providing management services of which a minimum of 12 months of experience must have been gained immediately preceding application; or hold an active designation as an Association Management Specialist and certify having two years of</p>		
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	<p>experience in providing management services of which a minimum of 12 months of experience must have been gained immediately preceding application; or have completed an introductory training program, as set forth in 18 VAC 48-50-250.A, and certifying examination approved by the board and certify having two years experience in providing management services of which a minimum of 12 months of experience must have been gained immediately preceding application; and the applicant shall name a responsible person for the firm.</p>		
40	<p>This section details the provisions whereby the Board may deny an application for licensure and the provision to appeal the Board's decision.</p>	<p>§ 54.1-204; Chapter 40 of Title 2.2</p>	<p>The intent is to provide information concerning denial of an application and the appeal procedures.</p>
50	<p>This section provides the general fee requirements, including that fees are nonrefundable and shall not be prorated. In addition, it provides that the date fees are received determines whether or not the fees are on time.</p>	<p>None</p>	<p>The intent is to provide general information on receipt of fees by the Department.</p>
60	<p>The schedule of fees is provided in this section, including the types of fees, amount of fees, when recovery fund fees are applicable, and when the specified fee is due.</p>	<p>§ 55-530.1</p>	<p>The intent is to clearly provide all fees that are payable and when they are due.</p>
70	<p>This section provides the requirements for submitting annual assessments, documentation necessary for confirming the annual assessment due and the waiver of such documentation if the maximum annual assessment is submitted.</p>	<p>§ 54.1-2349.A.1</p>	<p>The intent is to clarify the annual assessment requirements and procedures for submitting the assessment to the Board.</p>

<p>80</p>	<p>This section provides the requirements for maintaining a provisional license, including stipulating that the annual assessment is due each year the provisional license is in effect as well as the documentation necessary for confirming the annual assessment due and the waiver of such documentation if the maximum annual assessment is submitted. Further, this section requires that proof of current bond or insurance policy must be submitted and that the bond/policy must be maintained in accordance with the Board's regulations and applicable statutes.</p>	<p>§ 54.1-2346.F, § 54.1-2346.D, § 54.1-2349.A.1, 18 VAC 48-50-150.D</p>	<p>The intent is to clarify that all annual assessment and bond/insurance requirements apply to provisional license-holders as well as those licensed through the standard process.</p>
<p>90</p>	<p>This section contains the general provisions related to renewal, including that licenses expire one year from the last day of the month in which the license was issued, fees required for renewal, the expiration of provisional licenses on June 30, 2011, and the non-renewability of provisional licenses.</p>	<p>§ 54.1-2346.F</p>	<p>The intent is to provide that licenses are valid for one year and fees are required to renew, and to clarify the expiration date and nonrenewability of provisional licenses.</p>
<p>100</p>	<p>This section details the provisions related to expiration and renewal of a license. This includes the requirement that proof of current bond/insurance policy be submitted. In addition, the section stipulates that a renewal notice will be mailed but failure to receive the renewal notice does not relieve the regulant of the obligation to renew. Further, this section provides the procedures for renewing if the renewal notice is not received, including the stipulation that submitting the application for renewal constitutes</p>	<p>18 VAC 48-50-30.D, 18 VAC 48-50-60, 18 VAC 48-50-70, 18 VAC 48-50-140 et seq., and § 54.1-2346.D</p>	<p>The intent is to provide the requirements for renewing a license issued by the Board.</p>

	<p>certification that the regulant continues to comply with the standards of conduct and practice of the Board. Finally, the section provides that all applicants for renewal shall continue to meet all of the Board's qualifications for licensure.</p>		
110	<p>This section provides the requirements for reinstatement. Reinstatement is required when the requirements for renewal of a license are not completed within 30 days of the license expiration date. The license may be reinstated up to six months following the expiration date. After that time, the license may not be reinstated and the regulant must apply as a new applicant and meet all entry requirements in effect at that time. Further, the section explains that any regulated activity conducted subsequent to the license expiration date may constitute unlicensed activity and subject to prosecution.</p>	<p>18 VAC 48-50-30.D, 18 VAC 48-50-60, § 54.1-2346.D, Chapter 1 of Title 54.1</p>	<p>The intent is to provide the provisions for reinstating a license when renewal requirements are not completed within required timeframes, as well as the time whereby reinstatement is no longer possible. Further, it provides the consequences for providing management services with a license that has not been reinstated.</p>
120	<p>This section provides for the status of a license prior to the reinstatement of the license. A regulant who applies for reinstatement of a license shall be subject to all of the laws and regulations as if the regulant had been continuously licensed and remains under the Board's authority during the entire period.</p>	<p>None</p>	<p>The intent is to provide notice to regulants that failure to renew in a timely manner does not relieve them of the obligation for compliance with the Board's requirements and emphasizes that the Board still has authority over a regulant during this time period and may discipline a regulant for violating a regulation or statute during this period.</p>
130	<p>This section provides the circumstances in which renewal or reinstatement of a license may be denied. These circumstances include any of the reasons that initial licensure may be denied, failure to meet the terms of an agreement for licensure, failure to satisfy</p>	<p>None</p>	<p>The intent is to provide the provisions whereby the Board may deny renewal or reinstatement of a license.</p>

	sanctions, or failure to fully pay any monetary penalty or costs imposed by the Board.		
140	This section provides the possible sanctions that may be imposed in the event that a regulant is found in violation of the Board's regulations or statutes.	Chapter 23.3 of Title 54.1	The intent is to provide the regulant and public with the Board's authority as to the imposition of sanctions for violating the Board's regulations.
150	This section provides the requirements for maintaining a license as a common interest community manager. These provisions include prohibition of assigning or transferring a license; requirement to report, in writing, all changes of address to the Board within 30 days; requirement to notify the Board of any change in the qualifications for licensure within 30 days of the change; and the requirement to notify the Board of the cancellation, amendment, expiration, or any other change of any bond or insurance policy within five days of the change.	18 VAC 48-50-150.C, 18 VAC 48-50-30.D, § 54.1-2346.D	The intent is to provide the regulant with the requirements, including applicable timeframes, for maintaining a common interest community manager license.
160	This section provides the requirements for maintaining and managing funds from associations. This includes the requirement that all managers that hold funds that belong to others as a result of the fiduciary relationship between them be labeled as such to clearly distinguish funds that belong to others from those funds of the common interest community manager.	§ 54.1-2353.A	The intent is to clarify the statutory requirements related to managing funds that belong to associations.
170	This section requires that regulants who change the business entity must obtain a new license as licenses are not transferable from one entity to another. The dissolution or alteration of a business entity causes the	None	The intent of the regulation is to clarify that licenses are issued to entities and may not be transferred from one entity to another.

	<p>license to become void and must be returned to the Board within 30 days of the change. Such changes include: cessation of the business or the voluntary termination of a sole proprietorship or partnership; death of a sole proprietor; formation, reformation, or dissolution of a general partnership, limited partnership, corporation, limited liability company, association, or any other business entity recognized under the laws of the Commonwealth; or the suspension or termination of the corporation's existence by the State Corporation Commission. The regulation further requires that the new license must be obtained when the new firm is formed and before engaging in any activity regulated by the regulations of the Board or by Chapter 23.3 of Title 54.1.</p>		
180	<p>This section requires that regulants notify the Board of any adverse action, including: any disciplinary action taken by another jurisdiction, board, or administrative body of competent jurisdiction; any voluntary surrendering of a license, certificate, or registration done in connection with a disciplinary action in another jurisdiction; or any conviction, finding of guilt, or plea of guilty of any felony or misdemeanor in any jurisdiction. The section requires that the Board be notified within 30 days of the action and specifies the documentation that must be submitted relating to the action.</p>	§ 54.1-204	<p>The intent of the regulation is to provide the actions that the Board must be notified of in order to ensure that the regulant meets the standards of conduct and practice for licensure.</p>
190	<p>This section details the acts</p>	Chapter 23.3 of Title	<p>The intent of the regulation is to</p>

	<p>that regulants are prohibited from engaging in and the violations from which disciplinary action may result. The prohibited actions include, in summary, violating, inducing another to violate, or cooperating with others in violating any of the provisions of any of the regulations of the Board or statutes applicable to the Board; allowing the common interest community manager license to be used by another; obtaining or attempting to obtain a license by false or fraudulent representation, or maintaining, renewing, or reinstating a license by false or fraudulent representation; a regulant having been convicted, found guilty, or disciplined in any jurisdiction of any offense or violation enumerated in 18 VAC 48-50-180 of the regulation; failing to inform the board in writing within 30 days that the regulant was convicted, found guilty, or disciplined in any jurisdiction of any offense or violation enumerated in 18 VAC 48-50-180 of the regulation; failing to report a change as required by 18 VAC 48-50-150 or 18 VAC 48-50-170; the intentional and unjustified failure to comply with the terms of the contract, operating agreement, or governing documents; engaging in dishonest or fraudulent conduct in providing management services; failing to satisfy any judgments or restitution orders entered by a court or arbiter of competent jurisdiction; incompetence in providing management services; failing to handle association funds in</p>	<p>54.1, Chapter 4.2 of Title 55, Chapter 24 of Title 55, Chapter 26 of Title 55, Chapter 29 of Title 55, §54.1-102, § 54.1-111, 18 VAC 48-50-180, 18 VAC 48-50-150, 18 VAC 48-50-170, 18 VAC 48-50-160</p>	<p>provide information on specific acts that are prohibited by the Board and which may result in disciplinary action if a regulant were to be found in violation.</p>
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	<p>accordance with the provisions of § 54.1-2353(A) or 18 VAC 48-50-160; failing to account in a timely manner for all money and property received by the regulant in which the association has or may have an interest; failing to disclose to the association material facts related to the association's property or concerning management services of which the regulant has actual knowledge; failing to provide complete records related to the association's management services to the association within 30 days of any written request by the association or within 30 days of the termination of the contract unless otherwise agreed to in writing by both the association and the common interest community manager; failing upon written request of the association to provide books and records such that the association can perform pursuant to § 55-510 (Property Owners Association Act), § 55-79.74:1 (Condominium Act), and § 55-474 (Virginia Real Estate Cooperative Act); commingling the funds of any association by a principal, his employees, or his associates with the principal's own funds, or those of his firm; failing to act in providing management services in a manner that safeguards the interests of the public; failing to make use of a legible, written contract clearly specifying the terms and conditions of the management services to be performed by the common interest community</p>		
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	<p>manager. The contract shall include, but not be limited to, the following: beginning and ending dates of the contract; cancellation rights of the parties; records retention and distribution policy; a general description of the records to be kept and the bookkeeping system to be used; and the common interest community manager's license number. Prior to commencement of the terms of the contract or acceptance of payments, the contract shall be signed by the regulant and the client or the client's authorized agent.</p>		
200	<p>This section requires that the regulant establish a code of conduct that addresses business practices including the appropriateness of giving and accepting gifts, bonuses, or other remuneration to and from common interest communities or providers of services to common interest communities. In addition, the code of conduct for officers, directors, and employees, shall also address disclosure of relationships with other firms that may give rise to a conflict of interest.</p>	§ 54.1-2346.E.ii	<p>The intent of the regulation is to clarify the statutory requirement relating to the establishment of a code of conduct and general provisions that must be included in the code of conduct.</p>
210	<p>This section requires that the regulant establish internal accounting controls to provide adequate checks and balances over the financial activities and to manage the risk of fraud and illegal acts. The section further requires that the internal accounting controls be in accordance with the American Institute of Certified Public Accountants (AICPA) guidelines or those by any successor authorities.</p>	§ 54.1-2346.E	<p>The intent of the regulations is to clarify the statutory requirements related to the establishment of internal accounting controls for common interest community managers.</p>

<p>220</p>	<p>This section requires that regulants respond to inquiries by the board or any of its agents regarding any complaint filed with the Department within 10 days of the request; that the regulant produce any documents requested by the board or any of its agents within 10 days, unless extended by the board upon a showing of extenuating circumstances prohibiting delivery within 10 days; the regulant may not provide a false, misleading, or incomplete response to the board or its agents seeking information in the investigation of a complaint filed with the board; and the regulant must respond to any inquiry by the board or its agents, other than requested by the previous subsections, within 21 days.</p>	<p>None</p>	<p>The intent is to notify regulants that they are required to respond to any inquiries or requests for records made by the Board or its agents within specified timeframes.</p>
<p>230</p>	<p>This section provides the general requirements for training programs, including that they must be approved by the Board; they may be offered using distance or online education technology; and they may be approved retroactively with the understanding that no applicant will receive credit for the training program until such approval is granted by the board.</p>	<p>§ 54.1-2349</p>	<p>The intent is to provide the general requirements for training programs that are approved by the Board so that an applicant may meet the qualifications for licensure.</p>
<p>240</p>	<p>This section provides the required components of an application for training program approval. These requirements include: the name of the provider; provider contact person, address, and telephone number; program contact hours; schedule of training program, if established, including dates, time(s), and location(s); instructor information, including name, license number(s) if</p>	<p>18 VAC 48-50-60</p>	<p>The intent of the regulation is to detail the requirements for an application for training program approval.</p>

	<p>applicable, and a list of other trade-appropriate designations, as well as a professional resume with a summary of acceptable teaching experience and subject-matter knowledge and qualifications; a summary of qualifications and experience in providing training for common interest communities; training program and material fees; and training program syllabus.</p>		
<p>250</p>	<p>This section provides the requirements for introductory and comprehensive training programs required pursuant to 18 VAC 48-50-30.I. The introductory training program must include a minimum of 16 contact hours and encompass the subject areas set forth in the section. The comprehensive training program must include a minimum of 80 contact hours and the syllabus shall include at least 40 contact hours encompassing all of the subject areas set forth in the section and may include up to 40 contact hours in other subject areas approved by the Board. The subject areas that must be included in each training program are: governance, legal matters, and communications; financial matters, including budgets, reserves, investments, and assessments; contracting; risk management and insurance; management ethics for common interest community managers; facilities maintenance; and human resources. The section also requires that all training programs have a final, written examination.</p>	<p>18 VAC 48-50-30.I, § 54.1-2349.2</p>	<p>The intent of the regulation is to provide the requirements for the two types of training programs to be approved by the Board, introductory and comprehensive, the subject areas that must be included in the training program, and the requirement for a final, written examination.</p>

260	<p>This section provides the records that must be maintained by providers for each student. The record shall include: the student's name and address; social security number or control number issued by the Department of Motor Vehicles; the training program name and hours attended; the training program syllabus or outline; the name or names of the instructor(s); the date of successful completion; and the board's approved training program code. Records shall be available for inspection during normal business hours by authorized representatives of the board. Providers must maintain these records for a minimum of five years.</p>	None	<p>The intent of the regulation is to provide the required records that must be maintained for each student, the Board's authorization to inspect such records, and the minimum timeframe for maintaining the records.</p>
270	<p>This section requires that providers report any changes in information provided in 18 VAC 48-50-240 to the Board within 30 days, exclusive of changes in the schedule of training program offerings which must be reported within 10 days of the change. The section further stipulates that failure to report as required may result in withdrawal of approval of a training program by the Board.</p>	18 VAC 48-50-240	<p>The intent of the regulation is to ensure that the Board is provided with all information related to changes that may impact the approval of a provider, as well as any changes in the schedule, and the consequences for failure to report said changes within the required timeframes.</p>
280	<p>This section provides the circumstances in which approval of a training program may be withdrawn. The reasons include: the training program being offered no longer meets the standards established by the board; the provider, through an agent or otherwise, advertises its services in a fraudulent or deceptive way; the provider, instructor, or designee of the provider falsifies any</p>	18 VAC 48-50-240, 18 VAC 48-50-260	<p>The intent of the regulation is to allow the Board authority to withdraw approval of a training program for the reasons specified in order to ensure that all training programs servicing applicants of the Board continue to meet the Board's requirements.</p>

	<p>information relating to the application for approval, training program information, student records or fails to produce records required by 18 VAC 48-50-260; or a change in the information provided in 18 VAC 48-50-240, except for 18 VAC 48-50-240.4.</p>		
<p>290</p>	<p>This section provides that all examinations must be approved by the Board, and must be provided by the Board, a testing service acting on behalf of the Board, or another government agency or organization.</p>	<p>§ 54.1-2349.2</p>	<p>The intent of the regulation is to clarify who may provide a certifying examination as required in § 54.1-2349.2 of the Code of Virginia.</p>